

**MADHYA PRADESH ACT**

**No. 23 of 2003**

***THE INDORE SPECIAL ECONOMIC ZONE***

***(SPECIAL PROVISIONS) ACT, 2003***

**PASSED BY MADHYA PRADESH VIDHAN SABHA ON 28<sup>TH</sup> MARCH, 2003**

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## MADHYA PRADESH ACT

NO. 23 OF 2003

### THE INDORE SPECIAL ECONOMIC ZONE

#### **(SPECIAL PROVISIONS) ACT, 2003**

An ACT to provide for the development, operation, maintenance and administration of Indore Special Economic Zone in the State of Madhya Pradesh and for matters connected therewith.

Be it enacted by the Madhya Pradesh Legislature in the Fifty-fourth year of the Republic of India, as follows, -

#### CHAPTER I

#### **PRELIMINARY**

##### **1. Short Title, extent and commencement**

- (1) This Act may be called the Indore Special Economic Zone (Special Provisions) Act, 2003
- (2) It extends to the Indore Special Economic Zone.
- (3) It shall come into force on such date as the State Government may, by notification appoint.

##### **2. Definitions -** In this Act, unless the context otherwise requires:

- (a) "Amenities" means all basic and essential services including roads, water supply, street lighting, power supply, sewerage, drainage, collection, treatment and disposal of industrial and municipal wastes, public health, education, transport, fire fighting services, public parks, clubs, markets, shops and outlets and such other facilities or services;
- (b) "Authority" means the Authority constituted under this Act;

- (c) "Co-developer" shall mean a person who has entered into an agreement with the Developer to develop, build, design, organize, promote, finance, operate, maintain or manage a part or whole of the infrastructure or amenity in the Zone;
- (d) "Demarcation Structures" means walls, pillars or any other structures defining boundary;
- (e) "Development Commissioner" means such officer as may be notified as the Development Commissioner for the Zone by the State Government;
- (f) "Developer" means a person who develops, builds, designs, organizes, promotes, finances, operates, maintains or manages a part or whole of the infrastructure and provides amenities in the Zone;
- (g) "Domestic Tariff Area" for the purposes of this Act shall mean the geographical area of the state of Madhya Pradesh excluding the area of the Zone;
- (h) "Infrastructure" includes industrial, commercial, social or residential infrastructure or any facility for the development of the Special Economic Zone;
- (i) "Land" means any land situated within the Zone;
- (j) "Occupier" means a person who occupies a site or building within a Special Economic Zone and includes his successors and assignees;
- (k) "Off-Zone supplier" means a unit located outside the Zone, providing goods or services or both to developer, co-developer, occupier or resident;
- (l) "Operator" means a person engaged by the Developer for providing Infrastructure or Amenity in the Zone;
- (m) "Special Economic Zone" or "Zone" means the area notified as Indore Special Economic Zone by the Central Government;
- (n) "Unit" means an enterprise, or part thereof, which occupies space within the Zone for carrying on business as approved by the Development Commissioner; and
- (o) "Value Addition" includes any activity that brings about a change in an article or articles as a result of some process, treatment, and/or labour and results in transformation into a new and different article with enhanced value so understood in commercial parlance and shall also include packaging.

## CHAPTER II

### **POWERS AND FUNCTIONS OF THE DEVELOPMENT COMMISSIONER**

#### 3. Powers and Functions of the Development Commissioner

- (1) The Development Commissioner shall supervise, oversee and coordinate the activities of agencies engaged in the development of the Zone and may exercise all powers and functions as may from time to time be vested in him by the Central Government or the State Government.

- (2) Without prejudice to the provisions of sub section (1), the Development Commissioner shall act as a single agency to grant all approvals, clearances, licences, permissions and other authorizations as may be delegated by the State Government or its agencies, for the establishment and operation of Units in the Zone.
- (3) Notwithstanding anything contained in the Madhya Pradesh Nagar Tatha Gram Nivesh Adhiniyam 1973 (No. 23 of 1973), the Development Commissioner shall make regulations, with the prior approval of the State Government, with regard to town planning and urban development including floor space index, ground coverage, green space and other usages of land and shall approve the plan for the development of the Zone and oversee the compliance of the approved plan.
- (4) The Development Commissioner shall, -
  - (i) supervise and monitor compliance of conditions of licences, permissions and clearances granted by it;
  - (ii) call any information required to supervise and monitor the conditions of licence, permission or clearance from the unit; and
  - (iii) take appropriate action for non-compliance of any of the terms and conditions of any license, permission or clearance so granted under the relevant State law.

#### **4. Development Commissioner to be Chief Conciliator**

Notwithstanding anything contained in the Madhya Pradesh Industrial Relations Act, 1960 (No. 27 of 1960), the Development Commissioner shall be the Chief Conciliator for the purposes of this Act in respect of the Zone.

#### **5. Nomination of officers to assist the Development Commissioner**

The State Government may nominate officers and experts of any department or institution or organization as it may deem fit to assist the Development Commissioner.

### CHAPTER-III

#### **THE DEVELOPER OF THE ZONE**

#### **6. Appointment of Developer**

- (1) The State Government shall appoint a Developer for the purposes of development of the Zone.
- (2) The procedure for selection and appointment of Developer shall be such as may be prescribed.

#### **7. Land for the Zone**

- (1) The State Government may transfer land owned, acquired or controlled by the State Government to the Developer on such terms and conditions as the State Government may prescribe.

- (2) The Developer may acquire land independently from private parties by purchase, lease or otherwise.
- (3) Notwithstanding anything contained in the Madhya Pradesh Land Revenue Code 1959 all land located within the Zone and held in Bhumiswami rights shall be deemed to have been diverted to non agricultural purposes, as from the date of transfer of possession of such land to the Developer.

## CHAPTER IV

### POWERS AND FUNCTIONS OF THE DEVELOPER

#### **8. Functions of the Developer.**

- (1) The Developer shall secure planned development of the Zone and provide for the establishment, operation, maintenance and management of the Zone infrastructure and amenities.
- (2) Without prejudice to the generality of the provisions of sub section(1), the Developer shall perform the following functions namely, -
  - (a) to prepare a plan for the development of the Zone in conformity with the regulations made by the Development Commissioner and to implement such plan after obtaining his approval;
  - (b) to demarcate and develop sites for industrial, commercial, residential and other purposes according to the plan;
  - (c) to allocate and transfer, either by way of sale or lease or otherwise, plots of land, building or installations for industrial, commercial, residential or other purposes subject to his own title in relation to such plots of land, building or installations;
  - (d) to regulate the erection of buildings and setting up of industries in accordance with the plan as approved by the Development Commissioner;
  - (e) to develop, construct, install, operate, manage and maintain infrastructure and amenities for providing services either by itself or through any other person authorized by it, on its behalf;
  - (f) to demarcate the boundary of the Zone and any parts thereof, and to construct and maintain demarcation structures, in such manner as may be prescribed; and
  - (g) to perform such other functions as may be prescribed.

#### **9. Power of Developer in respect of land and levy of charges**

- (1) The Developer, may fix rates for transfer of land, building or installations by way of sale, lease, or otherwise from time to time.

- (2) For the purpose of providing, maintaining or continuing any amenity and infrastructure in the Special Economic Zone, the Developer may levy such charges, as he may consider necessary in respect of any land, building, installations or any other infrastructure from the occupier thereof.

#### **10. Provision for infrastructure or amenity by Developer**

- (1) The Developer may engage a co-developer, off-Zone supplier, operator, or any other person for the purposes of providing infrastructure or amenity.
- (2) Where any infrastructure or amenity is provided, the Developer shall have the power to levy charges for the use of service so provided.
- (3) The Developer may delegate the power of collection of the charges for the use of services to the agency providing the infrastructure or amenity.

#### **11. Generation and supply of electricity**

- (1) Notwithstanding anything contained in the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (No. 4 of 2001) or any other State law dealing with electricity, the following provisions shall apply to the generation, transmission, distribution, supply, sale and use of electricity in the Zone, namely, -
  - (i) The Developer or Co-developer or any other person designated as such by the Development Commissioner shall be deemed to be the Licensee to undertake in the Zone, the activities of transmission, distribution, supply and sale of electricity, with authority to purchase the energy requirements in the Zone from such sources as may be considered appropriate and conducive to the development of the Zone.
  - (ii) The Developer or the Co-developer or any other person designated as such by the Development Commissioner shall be deemed to be permitted to generate electricity for the purpose of supplying it within the Zone.
  - (iii) The Unit established in the Zone shall be entitled to generate electricity either individually or in association with other Units in the Zone for captive use and consumption of such Unit or Units or sell and supply electricity to other units in the Zone.
  - (iv) The tariff terms and conditions of the generation, transmission, distribution, sale, supply and use of electrical energy in the Zone shall be subject to such regulations as may be made by the Development Commissioner.
- (2) The Development Commissioner shall perform functions and exercise powers with regard to matters specified in sub section (1) in place of the Madhya Pradesh Electricity Regulatory Commission constituted under the Madhya Pradesh Vidyut Sudhar Adhiniyam 2000 (4 of 2001).
- (3) Save as provided in sub-sections (1) and (2) the Commission constituted under the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (No.4 of 2001) and other concerned authorities connected with the operation of the power system shall exercise all powers including but not limited to safety, security and technical standards to be maintained in the generation, transmission, distribution, supply, sale and use of electricity in the Zone.

- (4) The provisions of levying electricity duty and cess under the Madhya Pradesh Electricity Duty Act 1949 (9 of 1949) and Madhya Pradesh Upkar Adhiniyam 1981 (1 of 1982) shall not be applicable to sale or supply of electricity to the Zone and generation, transmission, distribution and consumption within the Zone.

#### CHAPTER V

### **SPECIAL ECONOMIC ZONE TO BE AN INDUSTRIAL TOWNSHIP**

#### **12. Declaration of Zone to be Industrial Township Area**

Notwithstanding anything contained in the Madhya Pradesh Municipalities Act 1961 or Madhya Pradesh Municipal Corporation Act, 1956 -

- (i) The Special Economic Zone may be notified as an Urban Area;
- (ii) The Governor may, having regard to the size of the area and Municipal services being provided or proposed to be provided in the Zone, by the Developer, by notification, specify the zone to be an industrial township;
- (iii) The State Government may appoint an Authority for the zone vested with such powers and functions, as may be prescribed.

#### CHAPTER VI

### **EXEMPTION FROM STATE TAXES, DUTIES, CESS AND LEVIES**

#### **13. Exemption from State taxes, duties and cess**

- (1) The following shall be exempt from payment of any tax, duty, fees, cess or any other levies under any State law namely; -
  - (i) any goods exported out of or imported into the Zone;
  - (ii) inter Unit transactions of goods within the Zone;
  - (iii) goods from the Zone sent for value addition to the Domestic tariff area and returned to the Zone thereafter; and
  - (iv) services that provide value addition to a product within the Zone.
- (2) All transactions and transfers of immovable property or documents related thereto within the Zone shall be exempt from stamp duty.

#### CHAPTER VII



## MISCELLANEOUS

### 14. Act to override other laws

The provisions of this Act shall have effect notwithstanding anything contrary contained in any other State law for the time being in force.

### 15. Protection of action taken in good faith

No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or rules made there under.

### 16. Power to remove difficulties

- (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may by notification make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for the removal of difficulty:

Provided that no such order shall be made after the expiration of two years from the date of coming into force of this Act.

- (2) Every order made under this section shall be laid on the table of the legislative assembly.

### 17. Power to make rules

- (1) The State Government may, by notification, make rules to carry out the purposes of this Act.

- (2) In particular and without prejudice to the generality of the foregoing powers such rules may provide for all or any of the following matters, namely: -

- (i) the procedure for the selection and appointment of Developer;
- (ii) the powers and functions of the State Government and its agencies to be delegated to the Development Commissioner;
- (iii) the norms for construction and maintenance of demarcation structures; and
- (iv) any other matter which has to be or maybe prescribed.

- (3) All rules made under this Act shall be laid on the table of the legislative assembly.

### 18. Power to make Regulations

- (1) The Development Commissioner may make regulations not inconsistent with this Act and the rules made thereunder for the purpose of giving effect to the provisions of this Act.

- (2) In particular and without prejudice to the generality of the foregoing powers such regulations may provide for the following matters, namely: -

- (a) all matters expressly required by this Act to be prescribed by regulations under sub-section (3) of section 3;
- (b) the terms and conditions of the generation, transmission, distribution sale, supply and use of electrical energy under section 11; and
- (c) the fixation of electricity tariff under section 11.

#### **19. Saving of operation of other laws**

Nothing in this act shall affect -

- (i) any right, privilege, obligation or liability acquired, accrued or incurred under any other law;
- (ii) any penalty, forfeiture, or punishment incurred under any other law;
- (iii) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability; and

any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed, as if this Act had not been passed.

#### **STATEMENT OF OBJECT AND REASONS**

With a view to provide stable policy for investment in the Indore Special Economic Zone, it has been decided to enact a suitable legislation. The proposed legislation will attract investors by facilitating the development of world class infrastructure for making the products competitive in the international market and will also facilitate investments and creation of opportunities for employment for the people of the State.

Hence this Act.

Member-in-charge

Bhopal,

Dated: 28.3.2003